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**Governor – State of Rhode Island**

# **Workforce Innovation and Opportunity Act**

**Rhode Island Proposed Waivers –2021**



**Governor's Workforce Board**

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<b>Statutory and/or Regulatory Requirement to be Waived – State Board to Act as Local Board (renewal)</b>
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**When requesting a Waiver, the request must include information that:**

**(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;**

The State of Rhode Island seeks continuation of the waiver from the requirements outlined at Sec. 107 of the Workforce Innovation and Opportunity Act, relating to the roles and responsibilities of a local board.

Immediately prior to the Secretary's September 2019 waiver approval, Rhode Island had two Local Workforce Development Areas under the Workforce Innovation and Opportunity Act (WIOA): The Providence/Cranston Local Workforce Development Area (LWDA) (made up of two cities) and the Greater Rhode Island LWDA (made up of thirty-seven (37) cities and towns). WIOA requires Chief Local Elected Officials to administer WIOA Title I funds and appoint Local Workforce Development Board members. In Rhode Island, as far back as the Jobs Training Partnership Act, the Governor performed the functions of the Chief Local Elected Official for the Greater Rhode Island (GRI) LWDA. This meant the Governor was appointing both the State Workforce Development Board (SWDB) and the GRI LWDB.

After authorization of WIOA, the Governor continued to serve as the Chief Elected Official for the GRI LWDB. However during a compliance monitoring review conducted in February 2018, United States Department of Labor (USDOL) regional staff identified that the Governor acting in this capacity was inconsistent with WIOA requirements because the Governor is not a Local elected official and, thus, cannot appoint the local board. Regional staff advised finding a local elected official(s) to assume the role of Chief Local Elected Official for the area or submit a waiver requesting that the SWDB act as, and carry out roles and responsibilities of, the GRI LWDB. It is important to note that the local area belonging to this board comprises 95% of the municipalities within the state.

In response to the regional office's directive, the Governor engaged the RI League of Cities and Towns to address the issue. The DLT Director, at the direction of the Governor, met with the League twice to explain the change in law and answer questions regarding the ramifications of that change. The DLT then asked local officials if they wanted to appoint the board and they ultimately decided they wanted to relinquish that responsibility to the state and therefore wanted the state to produce a waiver request. These considerations were documented in a letter addressed to the Director dated April 23, 2019. The main theme of those comments involved the need for more efficient management of the local board and more effective use of funds. The decision of the local officials was the primary compelling reason for the proposed governance structure. The waiver request was initially approved in September 2019. It was subsequently reauthorized in September 2020.

In his letter dated September 16, 2020, the US Secretary of Labor reauthorized waiver authority to the State Workforce Development Board to act as the Local Workforce Development Board for the Greater Rhode Island region, with the conditions that the State meet the following requirements:

- Establish a written agreement delineating the roles of and firewalls among the state board, board staff, fiscal agent, and service providers;
- Demonstrate administrative procedures and policies consistent with Uniform Guidance; and
- Conduct regular and complete monitoring of local areas.

In response to condition one; on March 29, 2021, the state provided USDOL regional staff a copy of the document entitled “Firewalls and Internal Controls Re: State and Local Board Responsibilities.” This document memorializes the internal controls that all staff must adhere to when fulfilling State and Local Workforce Board responsibilities in order that business will be conducted in a manner that will prevent actual, potential, or questionable conflicts of interest and will provide clear separation of duties.

In response to condition two; the Board’s administrative and fiscal agent, the Department of Labor and Training, continues to conduct the responsibilities and functions of both boards consistent with Uniform Guidance.

In response to condition three, the state continues to conduct regular monitoring of local areas. Consistent with the terms of the waiver, the state revised its statewide monitoring policy (Page 174 in the state WIOA Policy Manual: [WIOA-Policy-Manual-March-2021.pdf \(ri.gov\)](#)) to ensure that local monitoring decisions were free from any actual, potential, or perceived conflicts of interest.

**(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;**

The Rhode Island Department of Labor and Training conducted a review of potential statutory and regulatory barriers and does not anticipate any challenges in this area. In addition, this waiver would not change the allocation of resources as there will be no change to the designation of Local Workforce Development Areas. Allocations made to the Providence/Cranston local area would remain unchanged as the Providence/Cranston local board would remain active and continue to be appointed by the two mayors.

State law R.I.G.L §42-102 provides the Governor’s Workforce Board authority to “establish statewide policies, definitions, objectives, goals, and guidelines for the coordination of all employment-and-training programs and related services and programs within the state.” This statute applies to all such programs administered by the Department of Labor and Training, which includes WIOA Title 1B. This statute, and its related subsections, provides the state policy necessary to assume the roles of the local workforce board.

To ensure local stakeholder interests are represented and engaged; the Governor’s Workforce Board has formed a subcommittee called the Local Area Advisory Committee, which reflects the geographic diversity of the greater Rhode Island area. This body is in addition to the current composition of the Board itself which includes representation from the greater Rhode Island area and already provides a degree of synergy between the role of the SWDB and the GRI LWDB. Existing SWDB committees already address many of the local board roles and the Local Area Advisory Committee is positioned to handle any additional roles. The existing committees already perform the roles of planning, regional labor market and workforce research, convening system stakeholders, engaging employers, aligning services to promote career pathways, disseminating information on promising practices, coordinating with education and training providers, and developing budgets for all workforce programs.

The board currently has four committees, two made up of only state board members and two with a broader composition to include a diverse set of additional stakeholders with interest and expertise in specific programmatic areas.

#### Executive:

The Executive Committee is responsible for the overall management, direction and oversight of the Board and its programs. The Committee's primary role is to ensure the functionality and effectiveness of the State Board. The Committee is also responsible for workforce development planning and policy, which includes oversight of the State's Biennial Plan and the WIOA State Plan. Membership is limited to officers and chairs of standing and ad-hoc committees. The Committee may establish subcommittees to perform any activities within its scope of responsibilities.

#### Strategic Investments and Evaluation Committee:

The Strategic Investments and Evaluation Committee is responsible for guiding workforce investments (federal, state and local), aligning and leveraging workforce funds, and Rhode Island Department of Labor and Training recommending allocations for the state's Job Development Fund. The Committee's primary role is to ensure investments are demand-driven, meet the talent needs of businesses to spur economic resilience and growth, and create employment opportunities for Rhode Island workers. The Committee regularly reviews Labor Market Information, Bureau of Labor Statistics data and program-level performance data to evaluate demand and supply, monitor progress, and inform future investments. The Committee, like the full board, includes representatives from business, labor, public institutions and community-based organizations.

#### Career Pathways Advisory Committee (CPAC):

CPAC is responsible for overseeing the development and growth of career pathways that connect populations throughout the state with current and future career opportunities. Central to this function is overseeing the execution of the State's PrepareRI action plan to provide all youth (K-24) with access to flexible, quality and demand-driven career pathways programming through high-quality work-based learning including, but not limited to, Career and Technical Education. CPAC's membership is diverse and includes stakeholders beyond those appointed to the State Board, including industry intermediaries, youth-serving organizations, local school districts, higher education, etc.

#### Education & Employment Advisory Committee (EEAC):

EEAC is responsible for overseeing programs that ensure adults and out-of-school youth in or nearing the labor force have access and opportunity to obtain postsecondary education, training and credentials and secure employment and a living wage. EEAC is particularly focused aligning Title II adult education programming, administered by the RI Department of Education, with the State's sector-based, demand driven workforce strategy. Like CPAC, EEAC is comprised of stakeholders, such as adult education service providers, industry intermediaries, employers, organized labor, the K-12 and higher education systems, etc.

The newly formed Local Area Advisory Committee has oversight over the One Stop (America's Job Center) system for the local area, manages the technology needs to improve access and communication among programs, conducts program oversight, negotiates local performance measures, selects operators and providers, and assesses physical and programmatic accessibility of the one-stop centers. The Local Area Advisory Committee also has initial input into the design, deliberation, and development of policies impacting the local area, as well as crafting the local area WIOA plan; although the full Board retains ultimate discretion and responsibility for local area policymaking and plan approval.

**(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;**

The primary goal and outcome related to this waiver request are to comply with the provisions of WIOA. Ancillary outcomes expected from this waiver include increased efficiency within the Department of Labor and Training, and more Title IB resources available for career and training services. Roles and responsibilities of the local board are now met by state board staff with staff previously assigned to the LWDB reassigned to different responsibilities within the agency. The state anticipated that resources would be freed up by this reallocation when the waiver was first requested which could be redirected to the provision of direct career services for participants in the Adult and Dislocated Worker programs rather than to managerial staff. Unfortunately, service disruptions as a result of the Covid-19 pandemic have had equivalent disruptions in the budgeting process. These disruptions have made it difficult to document the efficiencies that have resulted from the board governance waiver. As operations return to normal, we expect to be better able to track and document the resources that have been made available by this change. The increase in resources dedicated to service delivery will allow significantly more participants to be served under these programs. There is no cost in implementing this waiver.

The selection process for operators and service providers remains unchanged under this waiver request. Department of Labor and Training staff presently serves as staff for the Board in both its SWDB and LWDB roles and is responsible for developing and publishing RFPs for operators and providers. The RFPs are issued and awarded through the State of Rhode Island's procurement process. Awards are managed through the Department of Labor and Training, since the department is the board's fiscal agent.

**(4) Describes how the waiver will align with the Department's policy priorities, such as:**

- (A) supporting employer engagement;**
- (B) connecting education and training strategies;**
- (C) supporting work-based learning;**
- (D) improving job and career results, and**
- (E) other guidance issued by the Department.**

This waiver directly responds to the issues raised in the USDOL compliance monitoring review conducted in February 2018, which identified that the Governor appointing membership to the LWDA is inconsistent with WIOA requirements because the Governor is not a Local elected official and, thus, cannot appoint the local board.

**(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment;**

We believe that all employer and job-seeker customers benefit from this waiver and the transition toward a more unified statewide workforce system. WIOA partner programs benefit from a more straightforward planning and program development. AJC staff and other partners benefit from increased resources for direct programming and training as well as increased opportunities for system improvements and investments in technical assistance.

**(6) Describes the processes used to:**

- (A) Monitor the progress in implementing the waiver;**
- (B) Provide notice to any local board affected by the waiver;**
- (C) Provide any local board affected by the waiver an opportunity to comment on the request;**
- (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.**
- (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.**

The State Workforce Development Board will continuously monitor the implementation and impact of this waiver. The Department of Labor and Training, as the grant recipient of Title I funds, prepares monitoring reports for the SWDB regarding the USDOL Consolidated Compliance Review, and the department's own monitoring and audit reports regarding both the state and local boards. The unit responsible for these updates includes dedicated monitors who do not have a role in the implementation or operations processes. This function will continue if the waiver is granted. In addition to formal monitoring functions, the department also engages in regular internal performance reviews. These reviews cover progress on key implementation issues involving workforce development programs and Unemployment Insurance. The continued implementation of the waiver and the related data necessary to evaluate outcomes would be collected by the department's performance data team and presented at these meetings. Each local board role and project relating to the waiver would be converted into deliverable and the progress of each deliverable would be evaluated.

The initial waiver request was announced to the public and posted to the State Workforce Development Board's website for four weeks for public comment and review. Furthermore, Rhode Island Department of Labor and Training hosted three (3) public hearings across the LWDA to encourage public comment and notified stakeholders and advocates of these scheduled events, as well as the process for submitting written comments.

A copy of this renewal request has been shared with the Chair and Executive Director of the Providence-Cranston Local Workforce Development Board as well as the Chair and executive Director of the State Board, acting as Local Board for the Greater Rhode Island area. Should the waiver be renewed, notice will be disseminated to both boards as well as other impacted partners as necessary.

**(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Rhode Island is prepared to provide this information if requested.

<b>Statutory and/or Regulatory Requirement to be Waived - Eligible Training Provider List Requirements (renewal)</b>
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**When requesting a Waiver, the request must include information that:**

**(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;**

The State of Rhode Island seeks continuation of the waiver from the requirements outlined in the WIOA at Sections 116 and 122, and at 20 CFR 677.230 and 20 CFR 680.400 thru 680.530, which require the collection and reporting of performance related data on all students participating in training programs listed on the state's Eligible Training Provider List (ETPL).

This waiver request is a renewal of the waiver previously approved on February 13, 2019 and subsequently reauthorized September 16, 2020 waiving the required collection and reporting of performance related data on all students participating in training programs listed on the state's ETPL, provided the state continues to take into account the outcomes of all students in an ETP program of study, as well as other conditions.

The WIOA ETPL requirement that providers must collect and report performance related data on all students participating in training programs listed on the state's ETPL (outlined in the WIOA at Sections 116 and 122, and at 20 CFR 677.230 and 20 CFR 680.400 thru 680.530) continues to present a number of challenges:

- Proprietary schools, particularly those with the resources, equipment, and technology necessary to train for high wage, high demand occupations- lack a formal system to collect and report student data – resulting in a large reporting burden on these types of training providers.
- Proprietary schools would have to collect sensitive information, such as social security numbers, etc., on all students in order for the state to match wages and earnings information, which raises concerns regarding identity theft, privacy considerations, etc.
- The requirement that providers collect data on all students has threatened an exodus of high functioning training providers from the ETPL, including those with resources and technology necessary to train for high wage, high demand occupations.
- This loss of training providers would limit consumer choice and the opportunity for WIOA participants to access high quality training for several high wage, high demand occupations.
- This loss of training providers would reduce the 'market' of eligible training providers to compete for ITA resources
- This loss of training providers would limit the ability of local workforce development boards to respond to the diverse talent needs of employers in their area.

**(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.



**(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;**

Goals and outcomes related to this waiver request continue to Include:

- Increased consumer choice and opportunity for more diverse training programs, particularly those focused on high wage, high demand occupations.
- Increased competition among eligible training providers, resulting in lower costs
- Increased utilization of the ETPL by individuals interested in high wage, high demand occupations.
- Better overall performance outcomes for individuals utilizing ITAs by returning several high functioning training providers to the ETPL
- Enhanced ability of local workforce development boards to respond to the diverse needs of employers in their area

The state has already witnessed some positive outcomes as a result of approval of the initial waiver request. Multiple training providers that previously indicated they would leave the Eligible Training Provider List if asked to meet the 'all student' reporting requirement, have instead chosen to remain. This includes several large providers that are one of few (and in some instances, the only) provider(s) of training for industries and occupations that are high wage and high demand in the state. Keeping these training institutions on the ETPL benefits WIOA clients and employers.

Initial approval of this waiver was received in February 2019, with the condition that Rhode Island continue to take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings. Policy and procedures through which the state could receive and consider such information was finalized in May 2019. At present, the state ETPL has 29 different providers and 89 programs. 10 providers have so far submitted aggregate all-student employment and earnings information for 32 programs, consistent with Board requirements and the terms of the waiver. This information is taken into consideration by the state as part of their renewal application.

**(4) Describes how the waiver will align with the Department's policy priorities, such as:**

- (A) supporting employer engagement;**
- (B) connecting education and training strategies;**
- (C) supporting work-based learning;**
- (D) improving job and career results, and**
- (E) other guidance issued by the Department.**

This waiver aligns with not only the US Department of Labor's priorities for consumer choice as clients will have broader and more diverse access to training opportunities that match regional demand. The waiver is also consistent with the focus on meeting local industry and employer needs as more ETPL providers, representing a greater diversity of occupation training and industries, remain or are added to the ETPL.

**(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment;**

Individuals who access training services via ITAs will continue to benefit from greater diversity of training providers, increased competition, and additional pathways into high wage high demand opportunities. Training providers benefit from a reduced data collection and reporting burden. AJC staff and other partners will continue to benefit from a greater range of solutions and training opportunities with which they can connect customers.

**(6) Describes the processes used to:**

- (A) Monitor the progress in implementing the waiver;**
- (B) Provide notice to any local board affected by the waiver;**
- (C) Provide any local board affected by the waiver an opportunity to comment on the request;**
- (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.**
- (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.**

In its response letter dated February 13, 2019, the USDOL granted this waiver on the condition that Rhode Island provide information regarding how the state will continue to take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings, as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. In response, the state revised its Eligible Training Provider Initial and Continued Eligibility policy to continue to require relevant performance data from eligible training providers for all students as well as WIOA participants in ETPL eligible training programs annually and/or upon request. This information is self-reported by the training provider to the State in the aggregate using a digital reporting portal. As part of its ETPL Monitoring process, the state monitoring team (the Integrity and Compliance Unit of the Department of Labor and Training) is directed to randomly audit the information reported by select providers to ensure it is accurate and that the methodology to collect, compile, and report this information is reasonable, secure, and effective.

A copy of this renewal request has been shared with the Chair and Executive Director of the Providence-Cranston Local Workforce Development Board as well as the Chair and Executive Director of the State Board acting as Local Board for the Greater Rhode Island area. Should the waiver be renewed, notice will be disseminated to both boards as well as other impacted partners as necessary.

**(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Rhode Island is prepared to provide this information if requested.

<b>Statutory and/or Regulatory Requirement to be Waived – 75% Out of School Youth Expenditure</b>
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**When requesting a Waiver, the request must include information that:**

**(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;**

Rhode Island is seeking a waiver from Section 129(a)(4)(A) and 20 CFR 681.410, which require not less than seventy-five (75%) percent of funds allotted to states under Section 127(b)(1)(C), reserved under Section 128(a), and available for statewide activities under subsection (b), and not less than seventy-five (75%) percent of funds available to local areas under subsection (c), be used to provide youth workforce investment activities for Out of School Youth (OSY).

Specifically, Rhode Island is requesting a waiver of the requirement to expend 75% of funding on the OSY population. Rhode Island is requesting that this percentage be lowered to 50%. Such a waiver would allow the state to more flexibly serve and meet the needs of youth clients, and would enhance the state's ability to serve all youth who would benefit from the intended purposes of this funding.

In particular, in-school youth (ISY) in the state's urban core where the highest concentration of poverty is found remain underserved, and this gap is only exacerbated by the disruption of schooling from COVID-19. By granting this waiver, USDOL would enable Rhode Island to increase the number of ISY served and greatly enhance the state's ability to provide top quality college and career readiness services to in-school youth with barriers, including:

- 15,238 (23%) youth under the age of 18 living in families where no parent has full-time, year-round employment [first in New England]
- 34,766 (14%) youth under the age of 18 living in poverty [almost two-thirds (65%) of which reside in the urban core ]
- 43,660 youth under the age of 18 receiving SNAP benefits

The above totals are based on the most recent data available (2019) and almost assuredly increased as a result of the COVID19 pandemic, illustrating the importance of providing the WIOA Youth system maximum flexibility to serve youth no matter the setting.

As a result of this waiver, Rhode Island intends to:

- Increase WIOA youth program participants' access to innovative student retention strategies including the following services available to in-school youth through the existing state-funded [PrepareRI Initiative](#): dual/concurrent college course enrollment, [All Course Network](#), occupational training, pre-apprenticeship and/or registered apprenticeship programs;
- Reduce the dropout rate for in-school youth, particularly those with significant barriers to education and employment who are negatively impacted by virtual learning requirements enacted due to the COVID-19 pandemic and subsequent learning loss;
- Increase access to work experiences and other work-based learning opportunities for in-school youth, thereby helping the State and its local WDBs achieve the requirement of spending 20% of their WIOA youth program funds on work experience; and
- Serve Rhode Island business community by increasing the access to qualified workers at the earliest possible opportunity.

**(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.

**(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;**

Balancing the use of WIOA funds equally between ISY and OSY, while maintaining focus on underserved populations and students at risk of drop-out, will help Rhode Island better meet the needs of our youth population and help expand and scale school-to-career programming and drop-out prevention strategies.

**Goal:** Increase services to at-risk in-school youth in local schools, particularly vulnerable youth negatively impacted by COVID-19 disruptions and associated learning loss.

**Expected Outcome:** Approval of the waiver request would allow the state and local areas to focus funding and services on engaging at-risk in-school youth to ensure that effective student career pathway guidance, tutoring and learning loss mitigation, and dropout prevention is provided prior to graduation. Covid-19 has led to a great deal of disruption to the academic year, particularly in the state's urban core. Over the last year, nearly all Rhode Island students have received at least partial virtual instruction, with some experiencing almost the entire school year at-home. As such, the practical definition of an 'in-school' youth has changed dramatically in the past year; with many 'in school youth' spending as much time in a physical classroom as an 'out of school' youth. Approval of this waiver will allow the workforce system the flexibility to serve a greater number of at-risk 'in school' youth and connect them with dropout prevention services, tutoring, career and postsecondary preparation activities, as well as pick up some of the intensive support services that these students need, but that schools are challenged to provide. The waiver will also allow at-risk 'in school' youth access to high quality work-based learning opportunities that can benefit employers and better prepare high school students for in-school and post-graduation success, especially for those that have barriers to that success.

**Goal:** Increase numbers of better-prepared youth to meet evolving employer demand.

**Expected Outcome:** The employer community, particularly at the entry-level wage category, have reported hiring challenges as a result of the uncertainties brought about Covid-19. These employers encourage more support for youth to assist with work-readiness and soft skills training and prepare youth for short-term training, credentials, and employment. With evolving industry need and hiring gaps, it is critical for Local Workforce Development Boards to engage with youth, particularly non-college bound high school students, to promote local employment opportunities and develop career exploration activities.

**Goal:** Increase the number of students living in areas of high-poverty that are connected to post-secondary education or self-sustaining employment.

**Expected Outcome:** Rhode Island continues to witness an ‘opportunity gap’ between students in our urban communities and those in the rest of the state. Families that are living in high-poverty areas within Rhode Island, including the state’s urban core, see higher rates of unemployment and substantially lower rates of post-secondary education attainment. By balancing the state’s in-school and out-of-school youth investments, the state can partner with K-12 school systems to identify students most at risk to provide better and comprehensive supports and resources, leading to better outcomes for these students. Under the 75% OSY requirement, providers have had to limit their enrollment of ISY, even though the need is there.

**Goal:** Increase awareness and visibility of the WIOA Title I Youth programs and increase number of individuals enrolled in the Youth program.

**Expected Outcome:** Engagement with in-school youth, their families, and school staff is an effective way to promote awareness of WIOA Title I Youth services. School and community relationships were more common under WIA, however since the transition to WIOA, knowledge and familiarity of the WIOA service network has waned within the school system because of reduced service capacity and overall reduced emphasis on in-school programming. Being able to bring these services back into schools will not only assist with In-School Youth referrals, but Out-of-School enrollments as well, since WIOA services would have more visibility with school representatives and the student population earlier. We expect to see an overall increase in enrollments, particularly with ISY, if granted this waiver.

**Goal:** Continued provision of service and priority for Out of School Youth.

**Expected Outcome:** For all of the goals and anticipated outcomes for in-school youth described above, the state understands and believes that the population most in need of WIOA Youth services remains the out of school youth population. The requested rebalancing of funds between in-school and out-of-school retains the overall system priority for providing WIOA youth career and postsecondary preparation activities and intensive support services to out of school youth throughout the state. Rhode Island would continue to monitor and track the share of out-of-school youth served to ensure they remain the priority and majority of overall WIOA population.

**(4) Describes how the waiver will align with the Department’s policy priorities, such as:**

- (A) supporting employer engagement;**
- (B) connecting education and training strategies;**
- (C) supporting work-based learning;**
- (D) improving job and career results, and**
- (E) other guidance issued by the Department.**

This waiver aligns with not only the US Department of Labor’s priorities, but also with those of the State of Rhode Island. Rhode Island’s unified state plan mirrors the strategies in the PrepareRI action plan and focuses on the importance of ensuring college and career readiness at all levels, particularly through expanded opportunities for work-based learning. Rhode Island has successfully prioritized better connecting secondary education to workforce development and providing alternative pathways for all students whether they are college or career bound after graduation.

Allowing additional funds toward ISY will support the shared USDOL and Rhode Island goal of expanding quality work-based training opportunities while aligning and integrating programs of study that lead to industry-recognized credentials and improved employment and earnings.

Flexible resources can also help further the engagement of educational institutions in the state's efforts to create a comprehensive job-driven education and training system. Aligning the in-school work of traditional high schools, with the work of Perkins Career and Technical education, the WIOA service network, and community colleges, will create a continuum of services that can prepare ISY and OSY for high demand occupations, and reflects the level of need for services across each population.

**(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment;**

Approval of this waiver and a more robust continuum of in-school and out-of-school youth programming will impact populations including, but not limited to:

- Rhode Island's at-risk youth
- Low-income families
- Rhode Island economy
- Rhode Island taxpayers
- Low-income and urban core communities
- Local Workforce Development Boards
- Contracted service providers
- Teachers and school counselors

**(6) Describes the processes used to:**

- (A) Monitor the progress in implementing the waiver;**
- (B) Provide notice to any local board affected by the waiver;**
- (C) Provide any local board affected by the waiver an opportunity to comment on the request;**
- (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.**
- (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.**

Annual WIOA programmatic reviews will include an evaluation of how this and all waivers are impacting local programs and performance, including: enrollment, particularly for low-income youth, in the Youth WIOA program; percent of youth participating in work experiences under the Youth WIOA program; spending on work experiences as part of the 20% WEX requirement; graduation rates for WIOA-enrolled ISY; engagement of WIOA-enrolled ISY in available PrepareRI programs; measurable skills gains for WIOA-enrolled ISY.

Notice of this proposed waiver has been shared with the Chairs and Executive Directors of both Local Boards. Should the waiver be granted, notice will be disseminated to both local areas as well as other impacted partners as necessary.

**(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Rhode Island is prepared to provide this information if requested.

<b>Statutory and/or Regulatory Requirement to be Waived – 6 Month Employment Requirement for Incumbent Worker Training Grants</b>
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**When requesting a Waiver, the request must include information that:**

**(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;**

The State of Rhode Island is seeking a waiver from 20 CFR 680.780 to amend the definition of “incumbent worker” by eliminating the 6-month employment requirement. Before budget challenges brought about by the COVID-19 pandemic, Rhode Island offered a similar incumbent worker training program to employers that had no such requirement. Consistent with the state plan, Rhode Island intends to reintroduce incumbent worker training under WIOA formula funds, but anticipates complications and confusion among employers as a result of this requirement.

**(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.

**(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;**

The overarching goal is to eliminate a barrier to providing incumbent worker training to employers and workers looking to restart operations and increase competitiveness as the state recovers from the COVID19 pandemic. Removing this barrier aligns directly with priorities of the state, as described in our State WIOA Plan, to “Implement a demand-driven, sector-based strategy to meet employer demand and establish a pipeline of skilled workers for future demand” as well as “advance a career pathway strategy to provide employment, education, training and support services for individuals, particularly those with barriers to employment (including TANF recipients), that will ensure an opportunity to develop their education and skills to prepare them for a job at various points in their life.”



**(4) Describes how the waiver will align with the Department's policy priorities, such as:**

- (A) supporting employer engagement;**
- (B) connecting education and training strategies;**
- (C) supporting work-based learning;**
- (D) improving job and career results, and**
- (E) other guidance issued by the Department.**

Rhode Island has long been a strong advocate of incumbent worker training as a means to improving the competitiveness of Rhode Island employers, which increasing the earning power (and reducing the likelihood and/or duration of future unemployment) of workers. Rhode Island's State Plan places a strong emphasis on meeting the evolving needs of the state's largest and growing industries while promoting lifelong learning and skill attainment among the workforce.

For over 15 years, the Governor's Workforce Board (Rhode Island's State Workforce Development Board under WIOA) administered an incumbent worker training grant (IWTG) program financed through the state Job Development Fund. The IWTG program became increasingly popular among employers and was an important part of the state's overall strategic workforce development vision. Unfortunately, the impact of COVID-19 on the Job Development Fund has been severe and has curtailed the state's ability to offer a state-funded incumbent worker training program. Incumbent Worker Training is allowed under WIOA, but Local Boards had previously resisted authorizing such training to avoid confusion and conflict with the state-funded program. As part of a larger strategic and resource allocation plan, the State intends to authorize incumbent worker training by local areas through WIOA formula funds and position the public workforce development network as a valuable partner to employers as they adapt, evolve, and recover from the economic challenges of the COVID-19 pandemic. The six-month employment requirement is a challenge to this effort, particularly at this time.

- As employers ramp up hiring and/or rehiring to keep pace with operations, there is a substantial need for training and retraining of newly hired employees
- Despite the flexibility granted to cohorts of trainees, employers who have previously utilized the state-funded incumbent worker training program have shared concerns at only being able to train some employees and not others (potentially creating gaps in knowledge between older hires and new)
- The six-month requirement is inconsistent with the overall strategic direction of the state workforce development network toward a demand-driven system that can quickly respond to the needs of employers and industry, whatever they may be.
- Incumbent worker training grants have been positioned as a tool to promote equity and equal opportunity, enabling employers to hire individuals with barriers to employment and/or less-than-required skills or experience, knowing that the training grants could help quickly 'train up' such hires post-employment. The six-month requirement is inconsistent with this positioning

Lastly, Rhode Island believes that the historic structure of the state's previous Incumbent Worker Training grant program meets the intent of this six-month requirement without the employment restrictions. A WIOA-funded incumbent worker training grant would have to clearly relate to the competitiveness of the employer and/or worker and be based around the attainment of occupational skills. Proposals that relate to 'onboarding', general skills, and other introductory instruction associated with new employees would not be allowable.

**(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment;**

Individuals potentially impacted by the waiver include:

- Employers looking to increase their competitiveness and ability to respond to an evolving market through the use of incumbent worker training
- Lower skilled/experienced job seekers for whom the availability of incumbent worker training is an equalizer in the job market
- Newly hired workers looking to increase their earning capacity and/or job security
- Business Services staff that have a more flexible and responsive program to market to employers.

**(6) Describes the processes used to:**

**(A) Monitor the progress in implementing the waiver;**

**(B) Provide notice to any local board affected by the waiver;**

**(C) Provide any local board affected by the waiver an opportunity to comment on the request;**

**(D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.**

**(E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.**

Annual WIOA programmatic reviews will include an evaluation of how this and all waivers are impacting local programs and performance. Rhode Island can effectively monitor the impact of the waiver through our existing client management system. Date of Hire relative to Start Date of Training is an easily trackable query and would highlight individuals and/or training projects that would have otherwise been denied in the absence of the waiver.

A copy of this request has been shared with the Chair and Executive Director of the Providence-Cranston Local Workforce Development Board as well as the Chair and Executive Director of the State Board acting as Local Board for the Greater Rhode Island area. Should the waiver be granted, notice will be disseminated to both boards as well as other impacted partners as necessary.

**(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Rhode Island is prepared to provide this information if requested.

<b>Statutory and/or Regulatory Requirement to be Waived – On-the-Job Training Employer Reimbursement</b>
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**When requesting a Waiver, the request must include information that:**

**(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;**

The State of Rhode Island is seeking a waiver from the requirements of WIOA §134(c)(3)(H)(i) and 20 CFR §680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to ninety percent (90%) for businesses with less than 50 employees. Pursuant to 20 CFR §680.720, employers may be reimbursed up to fifty percent (50%) of the wage rate of an OJT participant, and up to seventy-five percent (75%) using the criteria in 20 CFR §680.730, for the extraordinary costs of providing the training and additional supervision related to the OJT. This waiver request would allow for a sliding scale for OJT training employer reimbursements that ranges from fifty to ninety percent (50 – 90%), depending on the number of employees.

This waiver is being requested to apply for all OJT contracts supported by WIOA formula funds, including Adult, Dislocated Worker, and Youth, as appropriate. Many Rhode Island small businesses faced unprecedented challenges as a result of the COVID19 pandemic and related economic impacts. As the state begins to recover from the pandemic, extra incentives such as the increased wage reimbursement is a tool to help meet the substantial need for training and retraining of newly hired employees employers as employers ramp up hiring and/or rehiring to keep pace with operations. OJT can also help promote the hiring of current unemployment insurance receipts as well as individuals with barriers to employment and/or less-than-required skills or experience. An enhanced OJT match for these small business can help them quickly ‘train up’ such hires post-employment.

**(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.

**(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;**

Approval of this waiver request would provide critical flexibility for smaller Rhode Island businesses to help them ramp up operations and keep pace with evolving market demands as the state recovers from the economic impacts of the pandemic. The enhanced match would increase their competitive position for skilled labor as compared to larger firms who often have an advantage for such talent. This waiver would also build capacity for small businesses to draw from the local area’s workforce talent, versus having to conduct costly and regional recruitment activities. The match would also be an appealing marketing tool that could help raise the profile of the state workforce development network at a time when the state’s function as facilitator is critically needed.

Rhode Island is proposing the following scale for on-the-job training reimbursements:

- 50 or fewer employees: up to ninety percent (90%) on-the-job training employer reimbursement
- 51-250 employees: up to seventy-five percent (75%) on-the-job training employer reimbursement
- 250 employees+: up to fifty percent (50%) on-the-job training employer reimbursement

**(4) Describes how the waiver will align with the Department's policy priorities, such as:**

- (A) supporting employer engagement;**
- (B) connecting education and training strategies;**
- (C) supporting work-based learning;**
- (D) improving job and career results, and**
- (E) other guidance issued by the Department.**

Rhode Island has long been a strong advocate of work-based learning and paid/subsidized work experiences as a means improving the competitiveness of Rhode Island employers, which increasing opportunity and earning power (and reducing the likelihood and/or duration of future unemployment) of workers. Rhode Island's State Plan places a strong emphasis on meeting the evolving needs of the state's largest and growing industries while advancing "a career pathway strategy to provide employment, education, training and support services for individuals, particularly those with barriers to employment (including TANF recipients), that will ensure an opportunity to develop their education and skills to prepare them for a job at various points in their life."

On-the-job training is a proven and reliable work-based learning model that meets the immediate workforce needs of employers and industries, especially in such a tenuous and unpredictable time. Employers, especially small employers, have emphasized the need for a trained and reliable workforce, but inefficiencies in the labor market are threatening the state's efficient recover from the pandemic. Like many states facing the dual challenges of supply chain bottlenecks and short term labor shortages; Rhode Island is in need of proven and effective training models tht can provide immediate and effective relief to employers and industries.

OJT allows employers to meet their immediate and long-term objectives, while providing jobseekers with learning opportunities in an actual work environment that lead to a career pathway. For smaller businesses and employers that do not typically have a large workforce (or former/recalled workforce) on standby, granting this waiver will allow the opportunity to employ individuals who are current unemployment insurance receipts as well as individuals with barriers to employment and/or less-than-required skills or experience.

According to the 2020 "Small Business Profile" published by the U.S. Small Business Administration's Office of Advocacy, firms with fewer than 20 employees have the largest share of small business employment in Rhode Island (<https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04144159/2020-Small-Business-Economic-Profile-RI.pdf>). On-the-job training strategies prioritized by the state match the USDOL's priority of work-based learning activities and meet the immediate and long-term needs of American businesses.

**(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment;**

Individuals potentially impacted by the waiver include:

- Employers looking to increase their competitiveness and ability to respond to an evolving market through the use of on-the-job training
- Lower skilled/experienced job seekers for whom the availability of incumbent worker training is an equalizer in the job market
- Business Services staff (and the public workforce system overall) that will have a more effective and responsive program to market to employers.
- The state Unemployment Insurance program, which is eager to return claimants to work in rewarding and competitive employment

**(6) Describes the processes used to:**

- (A) Monitor the progress in implementing the waiver;**
- (B) Provide notice to any local board affected by the waiver;**
- (C) Provide any local board affected by the waiver an opportunity to comment on the request;**
- (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.**
- (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.**

Annual WIOA programmatic reviews will include an evaluation of how this and all waivers are impacting local programs and performance. Rhode Island can effectively monitor the impact of the waiver through our existing client management system. Usage of the OJT training model is an easily trackable query and would demonstrate increased uptake as well as the participant profile of OJT candidates.

A copy of this request has been shared with the Chair and Executive Director of the Providence-Cranston Local Workforce Development Board as well as the Chair and Executive Director of the State Board acting as Local Board for the Greater Rhode Island area. Should the waiver be granted, notice will be disseminated to both boards as well as other impacted partners as necessary.

**(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.**

Rhode Island is prepared to provide this information if requested.

